IN THE CLAIMS:

Please add new claims 34-56 as follows and cancel claims 1-33.

34. (New) A method of signal processing, comprising:

(a) detecting an acoustic excitation at both a first location to provide a corresponding first signal and at a second location to provide a corresponding second signal, the excitation being a composite of a desired acoustic signal from a first source and an interfering acoustic signal from a second source spaced apart from the first source;

(b) determining location of the second source relative to the first source as a function of the first and second signals; and

(c) generating a characteristic signal representative of the desired acoustic signal during performance of said determining.

35. (New) The method of claim 34, wherein the characteristic signal corresponds to spectral content of the desired acoustic signal and further comprising providing an output signal representative of the desired acoustic signal as a function of the characteristic signal.

36. (New) The method of claim 34, wherein said determining includes:

(b1) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals; and

(b2) determining a time increment representative of separation of the first source from the second source, the characteristic signal being a function of the time increment.

37. (New) The method of claim 34, wherein said determining includes:

(b1) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals; and

(b2) establishing a signal pair, the signal pair having a first member from the delayed first signals and a second member from the delayed second signals, the characteristic signal being determined from the signal pair.

38. (New) The method of claim 34, further comprising providing an output signal representative of the desired acoustic signal, and wherein the desired acoustic signal includes speech and the output signal is provided by a hearing aid device.

39. (New) The method of claim 34, wherein said determining further includes:

(b1) converting the first and second signals from an analog representation to a discrete representation;

(b2) transforming the first and second signals from a time domain representation to a frequency domain representation;

(b3) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals; and

(b4) establishing a first time increment and a signal pair each representative of separation of the first source from the second source, the signal pair having a first member from the delayed first signals and a second member from the delayed second signals.

40. (New) The method of claim 39, wherein the characteristic signal corresponds to a fraction with a numerator determined from at least the first and second members, and a denominator determined from at least the first time increment.

41. (New) The method of claim 39, wherein said generating further includes:

(c1) determining the characteristic signal from the signal pair and the first time increment, the characteristic signal being representative of spectral content of the desired acoustic signal;

(c2) transforming the characteristic signal from a frequency domain representation to a time domain representation; and

(c3) providing an audio output signal representative of the desired acoustic signal as a function of the characteristic signal.

42. (New) The method of claim 41, further comprising establishing a second time increment corresponding to separation of the first source from the second source by comparing the delayed first and second signals, and

wherein the first time increment corresponds to a first phase difference, the second time increment corresponds to a second phase difference, and the characteristic signal includes a spectral representation determined from at least the first and second phase differences.

43. (New) The method of claim 34, wherein the interfering acoustic signal has an intensity greater than the desired acoustic signal when the first and second sources are each generally equidistant from a midpoint between the first and second locations.

44. (New) The method of claim 34, wherein separation of the second source is within five degrees of the first source relative to a zero degree azimuthal reference axis intersecting the first source and a midpoint situated between the first and second locations.

45. (New) The method of claim 34, further comprising;

(d) establishing a number of location signals each corresponding to a different location relative to the first source; and

(e) selecting the characteristic signal from the location signals, the characteristic signal being representative of the location of the second source relative to the first source, the characteristic signal including a spectral representation of the desired acoustic signal.

46. (New) A method of signal processing, comprising:

(a) detecting an acoustic excitation at a first location to provide a corresponding first signal and at a second location to provide a corresponding second signal, the excitation being a composite of a desired acoustic signal from a first source and an interfering acoustic signal from a second source spaced apart from the first source;

(b) localizing the second source relative to the first source as a function of the first and second signals, said localizing including establishing a number of location signals, each corresponding to a different location relative to the first source; and

(c) generating a characteristic signal from the location signals, the characteristic signal including a spectral representation of the desired acoustic signal from the first source and corresponding to position of the second source.

47. (New) The method of claim 46, further comprising providing an output signal representative of the desired acoustic signal as a function of the characteristic signal.

48. (New) The method of claim 46, wherein said localizing includes:

(b1) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals corresponding to the location signals; and

(b2) determining a time increment representative of separation of the first source from the second source, the characteristic signal being a function of the time increment.

49. (New) The method of claim 46, wherein said localizing includes:

(b1) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals corresponding to the location signals; and

(b2) establishing a signal pair, the signal pair having a first member from the delayed first signals and a second member from the delayed second signals, the characteristic signal being determined from the signal pair.

50. (New) The method of claim 46, further comprising providing an output signal representative of the desired acoustic signal, and wherein the desired acoustic signal includes speech and the output signal is provided by a hearing aid device.

51. (New) The method of claim 46, wherein said localizing further includes:

(b1) converting the first and second signals from an analog representation to a discrete representation;

(b2) transforming the first and second signals from a time domain representation to a frequency domain representation;

(b3) delaying each of the first and second signals by a number of time intervals to provide a number of delayed first signals and a number of delayed second signals; and

(b4) establishing a first time increment and a signal pair each representative of separation of the first source from the second source, the signal pair having a first member from the delayed first signals and a second member from the delayed second signals.

52. (New) The method of claim 51, wherein the characteristic signal corresponds to a fraction with a numerator determined from at least the first and second members, and a denominator determined from at least the first time increment.

53. (New) The method of claim 51, wherein said generating further includes:

(c1) determining the characteristic signal from the signal pair and the first time increment;

(c2) transforming the characteristic signal from a frequency domain representation to a time domain representation; and

(c3) providing an audio output signal representative of the desired acoustic signal as a function of the characteristic signal.

54. (New) The method of claim 53, further comprising establishing a second time increment corresponding to separation of the first source from the second source by comparing the delayed first signals and delayed second signals, and

wherein the first time increment corresponds to a first phase difference, the second time increment corresponds to a second phase difference, and the spectral representation of the characteristic signal is determined from at least the first and second phase differences.

55. (New) The method of claim 46, wherein the interfering acoustic signal has an intensity greater than the desired acoustic signal when the first and second sources are each generally equidistant from a midpoint between the first and second locations.

56. (New) The method of claim 1, wherein separation of the second source is within five degrees of the first source relative to a zero degree azimuthal reference axis intersecting the first source and a midpoint situated between the first and second locations.